

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 91-065-C - ORDER NO. 91-452 ✓  
MAY 24, 1991

IN RE: Application of Amer-I-Net Services     )  
Corporation for a Certificate of            )  
Public Convenience and Necessity.         )  
  ) ORDER GRANTING  
  ) CERTIFICATE OF  
  ) PUBLIC CONVENIENCE  
  ) AND NECESSITY

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of an Application filed by Amer-I-Net Services Corporation (the Company or Amer-I-Net) requesting a Certificate of Public Convenience and Necessity authorizing it to provide intrastate resold telecommunications service in South Carolina. The Company is a non-facility based company which will provide its product (1+ dial type services under MTS and dedicated lines) by reselling capacity from underlying facilities based carriers. Amer-I-Net seeks to provide 24-hour intrastate long distance telephone services. Amer-I-Net is not an alternate operator service (AOS).

On February 7, 1991, the Commission's Executive Director instructed the Company to cause to be published a prepared Notice of Filing once a week for two consecutive weeks in newspapers of general circulation in affected areas. The Notice of Filing indicated the nature of Amer-I-Net's Application and advised all interested parties desiring to participate in the scheduled

proceeding of the manner and time in which to file the appropriate pleadings. Amer-I-Net furnished affidavits demonstrating that the Notice of Filing had been duly published in accordance with the instructions of the Executive Director. Southern Bell Telephone and Telegraph Company (Southern Bell) intervened in the matter, but, upon its request, was allowed to withdraw as per Commission Order No. 91-289. South Carolina Department of Consumer Affairs also intervened.

A public hearing relative to the matters asserted in Amer-I-Net's Application was held on May 14, 1991 at 11:00 a.m. in the Hearing Room of the Commission at 111 Doctor's Circle, Columbia, South Carolina, before the Commission with the Honorable Marjorie Amos-Frazier presiding. The Applicant appeared and was represented by Arthur G. Fusco, Esquire; Carl F. McIntosh, Esquire, represented the Intervenor, South Carolina Department of Consumer Affairs; and F. David Butler, Esquire, represented the Commission Staff. Testimony was presented by James Watson for the Applicant. No other witnesses were called.

Based on the information contained in Amer-I-Net's Application, as well as the evidence of the whole record before the Commission, and a stipulation made between Amer-I-Net and Southern Bell with regard to the handling of intraLATA calls attempted over Amer-I-Net's network and Amer-I-Net's handling of the monies generated by accidental completion of intraLATA calls, the Commission makes the following findings of fact and conclusions of law:

1. Amer-I-Net is a reseller of intrastate interexchange telecommunications services.

2. Amer-I-Net is incorporated under the laws of the State of Delaware, but has received a Certificate from the Secretary of State to do business in South Carolina.

3. Amer-I-Net has the financial resources to provide adequate telecommunications services to consumers in South Carolina.

4. Consistent with our intent to encourage greater competition in the interexchange market place as previously stated (See, Order No. 89-1015, issued October 23, 1989, in Docket No. 88-693-C), the approval of this Application will serve the public interest in that it will enhance competition.

5. The Company herein shows itself to be fit, willing, and able to provide such resale telecommunication services and that therefore it should be granted a Certificate of Public Convenience and Necessity to provide intrastate interLATA resold telecommunications services.

6. Any intrastate intraLATA direct dial calls must be completed over intraLATA WATS, MTS, or Private Line and Foreign Exchange Services which have been approved for resale. Any intraLATA calls not completed in this manner would be considered unauthorized traffic and the Company will be required to compensate the LECs for any unauthorized intraLATA calls it carries pursuant to Commission Order 86-793 in Docket No. 86-187-C.

7. A rate structure incorporating a maximum rate level with the flexibility for downward adjustment has been previously adopted by this Commission. IN RE: Application of GTE Sprint Communications Corporations, etc., Order No. 84-622, issued in Docket No. 84-10-C, on August 2, 1984. The Commission herein finds that the appropriate rate structure for Amer-I-Net should include a maximum rate level for each tariff charge.

8. While the Commission is conscious of the need for resellers to adjust rates and charges timely to reflect the forces of economic competition, rate and tariff adjustments below the maximum levels should not be accomplished without notice to the Commission and to the public. The Company shall incorporate provisions for filing rate changes and publication of notice of such changes two weeks prior to the effective date of such changes, and affidavits of publication must be filed with the Commission. Any proposed increase in the maximum rate level reflected in the tariffs of the Company, which should be applicable to the general body of subscribers, would constitute a general ratemaking proceeding which would be treated in accordance with the notice and hearing provisions of the S.C. Code Ann. §58-9-540 (Cum. Supp. 1990).

9. An end user should be able to access another interexchange carrier if they so desire.

10. The Company may only use such underlying carriers for the provision of intrastate telecommunications service as are certified by this Commission to provide such service and the

Company will notify the Commission in writing as to its underlying carrier or carriers and of any change in its carrier.

11. That Amer-I-Net should be authorized to provide intrastate interLATA service through the resale of Wide Area Telecommunications Service (WATS), Message Telecommunication Service (MTS), Foreign Exchange Service (FX) and Private Line Service, or any other service authorized for resale and reflected as such in tariffs of facilities-based carriers certificated by this Commission.

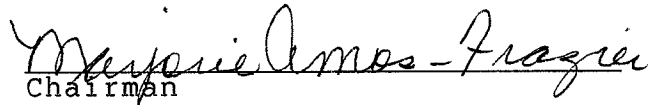
12. The Company is subject to any applicable access charges pursuant to Commission Order No. 86-584 in which the Commission determined that the reseller should be treated similarly to facility based carriers for access charge purposes.

13. The Company is required to file on a yearly basis surveillance reports with the Commission as required by Order No. 88-178 in Docket 87-483-C. The proper form for these reports should be Attachment A, attached hereto and incorporated by reference herein.

14. That Amer-I-Net should file tariffs in accordance with the findings herein within thirty (30) days of the date of this Order.

15. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS

FOR INTEREXCHANGE COMPANIES AND AOS'S

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION, MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE).